

GOVERNOR HALEY BARBOUR RELEASES REVISED '06 BUDGET

Says Additional Tax Revenue Should Go To K-12 Education, High-Growth School Districts

(Jackson, Miss.) – Citing higher than expected state tax collections and newly enacted legislation, Governor Haley Barbour today unveiled a revised budget for the 2006 fiscal year – which includes more money for K-12 education and Mississippi's high-growth school districts.

In the months since the Governor's original budget was proposed in December, revenue has significantly increased. In addition, based on additional tax revenue in March and April, the Department of Finance and Administration has estimated that \$73 million more is available for next year's budget. In addition, new legislation, such as a new law enacting savings in Mississippi's Medicaid program, has substantially changed the budget outlook since the Governor's original FY '06 budget was proposed in 2004.

With these changes, Governor Barbour's budget proposes that K-12 education receive \$110 million more than last year, \$38 million more than the Governor's December budget proposed. Governor Barbour also sets aside an additional \$3.1 million for Mississippi school districts that have experienced unusually high growth in the number of students they serve.

The Governor will present his revised budget to legislative leaders in preparation of the upcoming special session. The 2005 Regular Session ended without

lawmakers agreeing on a budget for the upcoming 2006 fiscal year that begins July 1.

“Now that there is more revenue available, we can add to the increases we have already committed to our public schools,” said Governor Barbour. “The increase in tax revenue Mississippi is experiencing is proof that our state’s economy doesn’t need a tax hike. Mississippi taxpayers are doing their job already. We can live within our means and still properly fund our priorities,” he added.

The Governor’s revised budget funds the basic program of K-12, the Mississippi Adequate Education Program (MAEP), at last year’s level of funding plus \$94.5 million for the 8% teacher pay raise, plus the \$3.1 million for high-growth districts.

“This is an honest budget that does not raise taxes or fees, and digs us almost completely out of our budget hole,” said Governor Barbour. “We’re working towards balancing the budget for the first time in five years, and getting Mississippi’s fiscal health on the road to recovery.”

The Governor’s budget proposes that K-12 spending be increased \$109.5 million or \$77.6 million over the Legislative Budget Recommendation. This includes \$9.5 million for the increase in premiums for K-12 employees’ health insurance. This is a 5.4% increase over FY 05.

“All of the Department of Education’s state mandates for teacher pay raises, state health insurance and retirement are fully funded by this budget,” said Governor Barbour. “It also provides twice as much money for classroom supplies and instructional materials as we did last year.”

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